

**CALENDAR ITEM  
C08**

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10/13/16

PRC 3637.1

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N. Lee

**CONSIDER WAIVER OF RENT, PENALTY, AND INTEREST AND  
TERMINATION AND ISSUANCE OF A GENERAL LEASE – COMMERCIAL USE**

**LESSEE:**

William D. Watkins and Denise P. Watkins Trustees of the Watkins Family Trust  
Dated 01-07-94

**APPLICANT:**

6980 West Lake, LLC, a California limited liability company.

**PROPOSED LEASE:**

*AREA, LAND TYPE, AND LOCATION:*

Sovereign land located in Lake Tahoe, adjacent to 6980 West Lake  
Boulevard, near Tahoma, Placer County.

*AUTHORIZED USE:*

Continued use and maintenance of an existing pier and five mooring  
buoys previously authorized by the Commission and use and maintenance  
of three existing freshwater intake pipelines not previously authorized by  
the Commission.

*LEASE TERM:*

10 years, beginning March 10, 2015.

*CONSIDERATION:*

\$2,463 per year, with an annual Consumer Price Index adjustment.

*SPECIFIC LEASE PROVISIONS:*

Liability insurance in an amount no less than \$1,000,000 per occurrence.

**STAFF ANALYSIS AND RECOMMENDATION:**

**Authority:**

Public Resources Code sections 6005, 6216, 6301, and 6503.5; California  
Code of Regulations, title 2, section 2000, subdivision (b).

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**Public Trust and State's Best Interests Analysis:**

On April 23, 2014, the Commission authorized a General Lease – Commercial Use to William D. Watkins and Denise P. Watkins Trustees of the Watkins Family Trust Dated 01-07-94 ([Calendar Item C20, April 23, 2014](#)). This lease will expire March 4, 2024. On March 10, 2015, ownership of the upland was deeded to 6980 West Lake, LLC, a California limited liability company. The Applicant is now applying for a General Lease - Commercial Use for the continued use and maintenance of the pier and five mooring buoys previously authorized by the Commission and three existing freshwater intake pipelines not previously authorized by the Commission. The subject structures are privately owned and maintained. The Applicant owns the upland adjoining the lease premises.

The upland adjacent to the lease premises is improved with a motel/lodge. The pier and five mooring buoys are for use by the owner and guests. On June 5, 1981, the Tahoe Regional Planning Agency (TRPA) issued a permit for the repair of the pier and use of five mooring buoys adjacent to the upland parcel. The TRPA permit is currently valid.

Staff recommends terminating the lease because the Watkins Family Trust abandoned the lease by transferring the property and facility without notifying Commission staff or executing a quitclaim deed. Commission staff sent annual rent invoices to the Watkins Family Trust for the 2015-2016 and 2016-2017 lease periods. The Watkins Family Trust did not pay these invoices. Staff believes it is not in the State's best interests to pursue the collection of rent, penalty, and interest from the Watkins Family Trust for the period of March 5, 2015, through March 9, 2016, since they were no longer the upland owner as of March 10, 2015, and the Applicant has already agreed to be responsible for rent during this time.

The subject mooring buoys facilitate recreational boating and the pier was constructed for the docking and mooring of boats and used in this manner in the past. The pier is not currently being used for the docking and mooring of boats and all cleats have been removed. Recreational boating is a water-dependent use that is generally consistent with the common law Public Trust Doctrine. The California Legislature has identified private recreational boating facilities as an authorized use of Public Trust land (Pub. Resources Code, § 6503.5).

The subject facilities have existed for many years at this location. The pier is built on pilings, allowing the public to navigate next to, and at certain

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water levels, under the pier. This construction also permits lateral access across the beach area that is subject to the Public Trust easement held by the State. The proposed lease protects the public's right to walk or otherwise use the beach and shore area below high water for uses consistent with the Public Trust easement. The buoys are located directly lakeward of the upland property and occupy a relatively small area of the lake. Commission staff believes the mooring buoys do not substantially interfere with the Public Trust needs at this time and at this location.

The freshwater intake pipelines are not generally associated with traditional Public Trust uses. However, these pipelines have been in place for many years, and occupy a small area of the lakebed. The owners use the pipelines to provide water to the upland property. The pipelines do not interfere with Public Trust activities at this location and at this time.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The lease is limited to a 10-year term, does not grant the lessee exclusive rights to the lease premises, and reserves an easement to the public for Public Trust consistent uses. Upon termination of the lease, the lessee may be required to remove all improvements from State land.

The proposed lease requires the lessee to insure the lease premises and indemnify the State for any liability incurred as a result of the lessee's activities thereon. The lease also requires the payment of annual rent to compensate the people of the State for the use of public land. For all the reasons above, Commission staff believes the issuance of this lease is consistent with the common law Public Trust Doctrine, will not substantially interfere with Public Trust needs at this location, at this time, and for the foreseeable term of the proposed lease, and is in the best interests of the State.

**OTHER PERTINENT INFORMATION:**

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction; and Strategy 1.3 to promote, expand and enhance appropriate public use and access to and along the State's inland coastal waterways

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2. Termination of the lease and waiver of rent, penalty, and interest are not projects as defined by the California Environmental Quality Act (CEQA) because they are administrative actions that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

3. Staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

**EXHIBITS:**

- A. Land Description
- B. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that the termination of the prior lease; waiver of rent, penalty and interest; and issuance of the proposed lease will not substantially impair the public rights to navigation and fishing or substantially interfere with the

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Public Trust needs and values at this location, is consistent with the common law Public Trust Doctrine, and is in the best interests of the State.

**SIGNIFICANT LANDS INVENTORY FINDING:**

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

**AUTHORIZATION:**

1. Waive annual rent, penalty, and interest due for the period of March 5, 2015, through March 9, 2016, and void annual rent invoices #38810 and #36581 issued to William D. Watkins and Denise P. Watkins Trustees of the Watkins Family Trust Dated 01-07-94.
2. Authorize termination, effective March 9, 2015, of Lease No. PRC 3637.1, a General Lease - Commercial Use, issued to William D. Watkins and Denise P. Watkins Trustees of the Watkins Family Trust Dated 01-07-94.
3. Authorize issuance of a General Lease – Commercial Use to 6980 West Lake, LLC, a California limited liability company, beginning March 10, 2015, for a term of 10 years, for the continued use and maintenance of an existing pier and five mooring buoys previously authorized by the Commission and use and maintenance of three existing freshwater intake pipelines not previously authorized by the Commission, as described in Exhibit A and shown on Exhibit B (for reference purposes only), attached and by this reference made a part hereof; annual rent in the amount of \$2,463 with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.

## **EXHIBIT A**

**PRC 3637.1**

### **LAND DESCRIPTION**

Seven parcels of submerged lands situated in the bed of Lake Tahoe, lying adjacent to Lot 2 of fractional Section 8, Township 14 North, Range 17 East, M.D.B.&M., as shown on Official Government Township Plat approved January 17, 1866, County of Placer, State of California, more particularly described as follows:

#### **PARCEL 1 – PIER**

All those lands underlying an existing pier lying adjacent to those parcels described in Grant Deed recorded March 10, 2015 as Document Number 2015-0016794-00 in Official Records of said County.

EXCEPTING THEREFROM any portion lying landward of elevation 6223 feet LTD on the shoreline of said Lake Tahoe.

#### **PARCEL 2 – WATER INTAKE PIPES**

All those lands underlying three (3) water intake pipes lying adjacent to those parcels described in Grant Deed recorded March 10, 2015 as Document Number 2015-0016794-00 in Official Records of said County.

EXCEPTING THEREFROM any portion lying landward of elevation 6223 feet LTD on the shoreline of said Lake Tahoe.

#### **PARCELS 3 thru 7 – BUOYS**

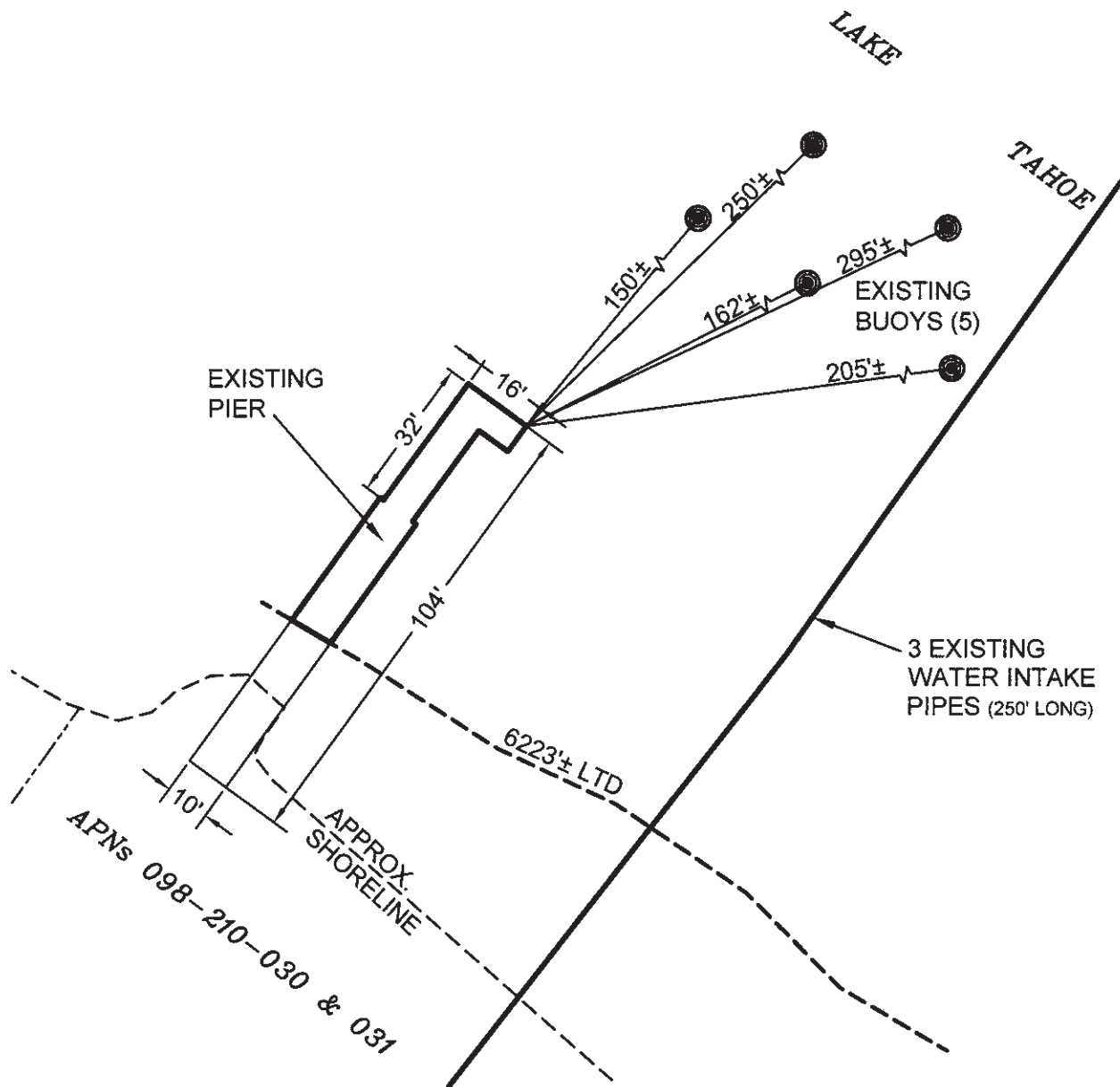
Five circular parcels of land, each being 50 feet in diameter, underlying five existing buoys lying adjacent to those parcels described in Grant Deed recorded March 10, 2015 as Document Number 2015-0016794-00 in Official Records of said County.

Accompanying plat is hereby made part of this description.

**END OF DESCRIPTION**

Prepared 08/18/2016 by the California  
State Lands Commission Boundary Unit.





## EXHIBIT A

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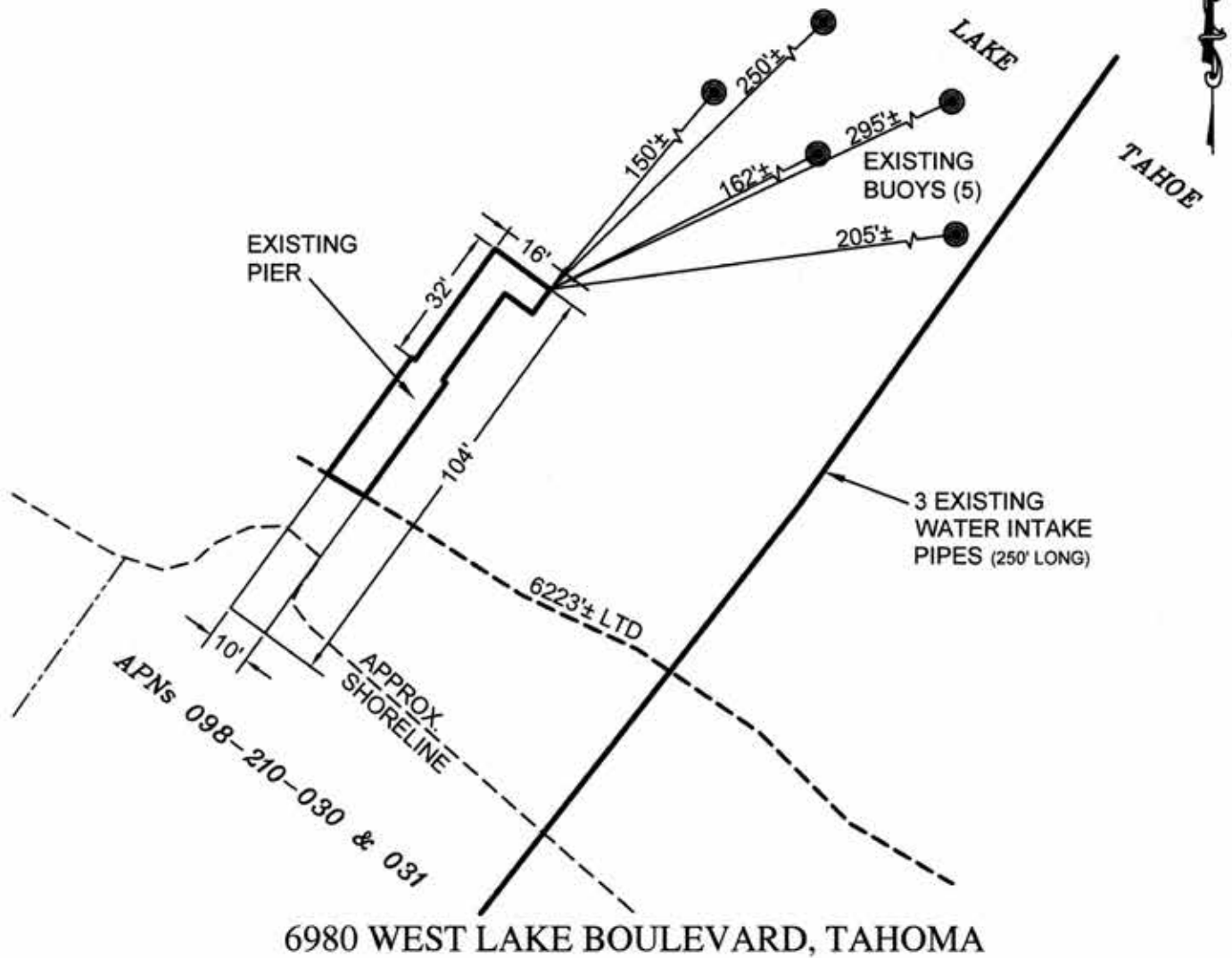
LAND DESCRIPTION PLAT  
PRC 3637.1, 6980 WEST LAKE, LLC  
PLACER COUNTY

CALIFORNIA STATE  
LANDS COMMISSION



NO SCALE

## SITE



NO SCALE

## LOCATION



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

## **Exhibit B**

PRC 3637.1  
6980 WEST LAKE, LLC  
APNs 098-210-030 & 031  
GENERAL LEASE -  
COMMERCIAL USE  
PLACER COUNTY



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